POSSIBILITIES OF REVERTER AND RIGHTS OF ENTRY

Act 13 of 1968

AN ACT to limit the duration of possibilities of reverter and rights of entry in conveyances of real property in certain cases.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

The People of the State of Michigan enact:

554.61 Terminable interest, specified contingency; definitions.

Sec. 1.

As used in this act:

(a) "Terminable interest" is a possessory or ownership interest in real property which is subject to termination by a provision in a conveyance or other instrument which either creates a right of reversion to a grantor or his heirs, successors or assigns or creates a right of entry on the occurrence of a specified contingency.

(b) "Specified contingency" is the event described in a conveyance or other instrument creating a terminable interest, the occurrence of which requires or permits the divesting of the terminable interest.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

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554.62 Specified contingency; termination right; limitation period.

Sec. 2.

If the specified contingency does not occur within 30 years after the terminable interest is created, the right of termination by reason of the specified contingency shall be unenforceable.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

554.63 Existing termination rights limitation.

Sec. 3.

A right of termination under a terminable interest which was created prior to the effective date of this act is unenforceable if the specified contingency does not occur within 30 years after the terminable interest was created or within 1 year after the effective date of this act, whichever is later.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

554.64 Exemptions to act.

Sec. 4.

This act does not apply:

(a) To a lease for a term of years.

(b) If the specified contingency must occur, if at all, within the period of the rule against perpetuities.

(c) If the terminable interest is held for public, educational, religious or charitable purposes.

(d) If the terminable interest is created in a conveyance from the United States of America, the state or any agency or political subdivision of either of them.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

554.65 Right of termination; preservation; notice, recording.

Sec. 5.

A right of termination may be preserved by the recording, within a period of not less than 25 nor more than 30 years after creation of the terminable interest or within 1 year after the effective date of this act, whichever is later, of a written notice that the owner of such right of termination desires to preserve the same, such notice to be recorded in the register of deeds office of the county where the real property subject to such right of termination is located. Such notice shall be verified by oath, shall describe the land involved and the nature of such right of termination, including the specified contingency, and shall state the name and address of the owner of such right of termination. The recording of such notice shall operate to preserve such right of termination from the operation of this act for a period of 30 years from the date of recording of such notice.

History: 1968, Act 13, Imd. Eff. Mar. 29, 1968

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